

October 26, 2003



Dear fellow shareholder,

It gives me immense pleasure to present before you, JISCO's first half yearly performance for the FY 2003-04. The Company has achieved a *growth of 57% in sales, 55% in exports* and our *bottom line has improved by 164%* for the *first half of FY 2003-04* compared with the last FY 2002-03. *EBIDTA has increased by 46%* for the Quarter 2 of FY 2003-04 and *by 26%* for first half of FY 2003-04 when compared with last fiscal 2002-03.

As a business strategy, *we are aggressively spreading ourselves throughout the globe - having a market spread across 45 countries and 5 continents* - which has helped us to build *resistance against fluctuating markets*. We have been consistently maintaining our lead as the largest exporter of galvanised steel from India. Our products command a premium of 15 to 20 USD in the international market.

Based on steel experts opinion world wide one can safely assume that the *Chinese steel market will continue to remain buoyant, absorbing the surplus supply* in the coming years. The recent thrust by the Government of India on infrastructure projects has resulted in a surge in domestic demand. *Improvement in the industrial growth of the country for the current year is also expected to add to the GDP of the country and will ensure keeping fiscal deficit under control*. This year, we expect steel industry to grow by around 8 to 10%.

We have initiated a study on the *feasibility of consolidation of steel businesses with JVSL*. The main objective is to form a *fully integrated steel conglomerate processing from iron ore to galvanised products and be one of the lowest cost steel producers in the world*.

We at JISCO, are *always striving to be better than yesterday* and will continue to require your support in this endeavour.

Sincerely,

**Sajjan Jindal**  
Chairman and Managing Director